INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Hungary/Soviet	Bloc	REPORT		25X1
SUBJECT	Sale of Foodstu	iffs and Wines	DATE DISTR.		
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- In early January 1955 a meeting of the department heads of the 1. Monimpex foreign-trade enterprise for wines and colonial goods took place in Budapest. The director of Monimpex stated that, in accordance with the decisions of the Economic Conference of the Soviet Bloc, held in Moscow in June and July of 1954, the export of foodstuffs and alcoholic beverages from the Satellites to the USSR had to cease. He referred to a speech by Mikita S. Khrushchey, who said that the USSR was striving to achieve national self-sufficiency in foodstuffs in order to prevent the recurrence of what had happened during the German invasion. It was stated in the Budapest meeting that from 60-70 percent of Hungary's exports of foodstuffs and beverages had been to the USSR, 20-30 percent to the Satellites, and only approximately 10 percent to the West. These percentages would have to be changed to 40 percent to the West and the remainder to the Satellites.
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- 2. New commercial agreements will be drawn up between the USSR and the Satellites in 1955. Negotiations to this effect were to start in late January 1955 in Budapest between a Soviet commercial delegation and Hungary, in accordance with the policy decisions taken at the Moscow Economic Conference. These decisions were to be implemented in 1955 and were to be kept secret, even from high officials of the Ministry of Foreign Trade and executives of foreign-trade corporations.
- 3. In December 1954, a department head of Monimpex was sent to Moscow to negotiate the export of foodstuffs. He concluded the negotiations for selling a considerable quantity of goods to Prodintrog and other Soviet foreign-trade corporations and was ready to sign the contracts, when the Soviet officials unexpectedly dropped negotiations without giving any explanations. Vinkler (fnu), head of the Soviet desk in the Hungarian Ministry of Foreign Trade, ordered the Monimpex official to remain in Moscow and to work with the Hungarian commercial attaché in preparing all details

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